GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4778
ANSWERED ON:25.04.2008
REFUND OF STATE LEVIES TO TRADERS
Kurup Adv. Suresh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any plans to refund State levies to traders and adjust the same against the State`s accounts and

(b) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) There are no such plans. Under the Constitution of India, the powers of taxation are divided between the Union (Central Government) and the States. The taxation powers of the Union are in the Union List (List-I), whereas the powers of the States are in the State List (List-II) of the VII Schedule. Taxes levied by the State Governments are deposited in the Consolidated Fund of the State concerned. Central Government has no role in the levy or refund of taxes imposed by the State Governments.